

clip p-1, 7

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✓ CF Watsonville - General RP 5/1/90

## Effects of Green Giant cutbacks being studied

By SUSANNA HECKMAN  
STAFF WRITER

Local frozen-food industry and civic leaders are still trying to assess the significance of the announcement yesterday that Pillsbury-Green Giant won't be closing — as persistent rumors had suggested — but will lay off nearly 400 employees, including many people who have worked there for much of their adult lives.

The plant will process and package spinach and Brussels sprouts, and will package other vegetables that will have been frozen in Mexican plants.

Duane Larson, Green Giant's plant manager, said that overall he is "very optimistic — we did announce we are maintaining the facility, we are continuing operations, we are making an investment."

Executives from the plant's

parent company, Grand Metropolitan of London, held meetings with employees and union and city officials yesterday to brief them on the changes.

Grand Met also announced yesterday that it will pour \$3.4 million into upgrading and automating the Watsonville plant as part of an overall \$140 million modernization project on plants nationwide.

The company said that 71 per-

cent of its workers, including all its seasonal employees here, will be laid off.

Only 150 employees will keep their jobs. No one knows for sure exactly who will be laid off and who will not, however, as the company reportedly told employees only that the decisions will be based on both seniority and job qualifications.

Larson said about 38 percent of the plant's management positions

will also be eliminated. Larson said the current number of managers is 40, and that will be trimmed to about 25. Some may be transferred, Larson said.

He said the company will begin talks with the union in the next two weeks to negotiate severance pay.

The job-finding-assistance program the company is setting up, Larson said, will be developed working with various government

agencies, as well as the union. He said it would be staffed with professional counselors and job developers.

The program will be in place within 30 days, and will remain in place for at least a year, or six months after the layoffs, Larson said. He acknowledged, however, that it won't solve the unemployed workers' problems completely.

See CUTBACKS page 7 ▶

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# CUTBACKS

► From page 1

pletely.

"It's going to be a difficult transition, and the employees deserve as much notice as possible and as much assistance as possible," Larson said.

Watsonville Mayor Todd McFarren said he is very concerned, both for the frozen-food industry itself and for the workers who will be laid off at Green Giant.

"I think the focus now will be on encouraging Green Giant to fulfill their promises of retraining the people who are being laid off and returning them to the labor market," he said.

McFarren added that the average age of a Green Giant worker is 45, and that many have had little opportunity for education and have very focused job skills. That means it's "going to take some money and some expertise from vocational counselors to help people get back into real jobs," he said.

The city can't force the industry to remain here, McFarren said. The only thing it can do is try to maintain a favorable climate for business, but that won't be possible if the federal government decides at a later time to lift tariffs on imported frozen food from Mexico. That would make it impossible for domestic plants to compete, industry leaders have said. The White House decided last week not to lift the tariffs, but local industry leaders have said they view that decision only as a temporary reprieve.

The Santa Cruz County Board of Supervisors has received a grant for an in-depth study of the industry, and Watsonville will be watching that study very carefully, McFarren said.

"If it turns out this is not a viable industry, we as a local government are going to have to do some serious planning," he said. "We can't hang our hopes on an industry that's going under."

P.J. McCosy, president of Del Mar Food Processing, said yesterday's announcement is "not good news. We're all tied to the local economy together."

Not only does Green Giant lend prestige to the area, he said, it helps the plants maintain economies of scale — in other words, it pays for a big share of things like wastewater treatment.

McCosy, however, disagreed that the news is a sign that Watsonville will become a ghost town or a bedroom community, with few jobs of its own.

"I think that's running up the white flag a little early," he said. "I wouldn't side with that view."

He said that while the food-processing industry has seen dramatic changes in the last 10 years and is bound to see more, not everything in food processing can be automated, and some things — like inspection of food on a line — will always have to be done by humans.